

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.**AUDIT REPORT****DECEMBER 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 18 2013

Terrie L. Jackson
Certified Public Accountants

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Independent Auditor's Report

To the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Bossier Office of Community Services, Inc. (a non-profit corporation), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bossier Office of Community Services, Inc. as of December 31, 2012 and 2011, and the changes in its net assets, its cash flows and its functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Bossier Office of Community Services, Inc. as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Further, the supplemental schedules listed on pages 25 – 26 of this report are presented for purposes of additional analysis and are also not a required part of these financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2013, on our consideration of Bossier Office of Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an

opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bossier Office of Community Services Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Terry L. Jackson". The signature is fluid and cursive, with a large initial "T" and "J".

Houston, Texas

July 11, 2013

Bossier Office of Community Services, Inc
Statements of Financial Position
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash	\$ 246,803	\$ 325,297
Grants receivable	57,558	26,974
Accounts receivable insurance	-	-
Accounts receivable other	-	-
Total current assets	<u>304,361</u>	<u>352,271</u>
Property and Equipment		
Furniture, fixtures & equipment	5,000	263,259
Vehicles	605,905	1,022,545
Buildings	802,125	928,858
Land	35,966	35,966
Accumulated Depreciation	<u>(939,709)</u>	<u>(1,674,231)</u>
Net Property and Equipment	<u>509,287</u>	<u>576,397</u>
Total assets	813,648	928,668
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	-	26,135
Bank overdraft	-	-
Accrued liabilities	6,104	42,774
Deferred	<u>-</u>	<u>11,938</u>
Total current liabilities	<u>6,104</u>	<u>80,847</u>
Long term portion of debt	<u>-</u>	<u>-</u>
Total liabilities	6,104	80,847
Net assets		
Unrestricted	53,531	80,343
Temporarily restricted	177,619	191,081
Permanently restricted	<u>576,397</u>	<u>576,397</u>
Total net assets	<u>807,546</u>	<u>847,821</u>
Total liabilities and net assets	\$ 813,651	\$ 928,668

Bossier Office of Community Services, Inc
Statements of Activities
For the Years Ended December 31, 2012 and 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
<u>Revenues, gains, and other support</u>					
Interest	\$ -	\$ 80	\$ -	80	\$ 269
Grant revenues		4,288,907	-	4,288,907	4,692,884
Local	34,751	-	-	34,751	167,308
ARRA	-	-	-	-	2,500
	<u>34,751</u>	<u>4,288,987</u>	<u>-</u>	<u>4,323,738</u>	<u>4,862,961</u>
<u>Net Assets Released from restriction</u>					
Satisfaction of program restrictions	4,281,837	(4,281,837)	-	-	-
Note payment	-	-	-	-	-
Satisfaction of capital acquisition	-	-	-	-	-
Expiration of time restrictions	-	-	-	-	-
	<u>4,281,837</u>	<u>(4,281,837)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Insurance claim-extraordinary income	-	-	-	-	-
Total unrestricted revenues, gains, and other support	<u>4,316,587</u>	<u>7,150</u>	<u>-</u>	<u>4,323,738</u>	<u>4,862,961</u>
<u>Expenses</u>					
Head Start	2,494,497	-	-	2,494,497	2,276,451
Early Head Start	450,870	-	-	450,870	575,263
ARRA	-	-	-	-	3,913
Child and Adult Care Food Program	435,505	-	-	435,505	427,304
Community Services Block Grant II	-	-	-	-	178,432
Community Services Block Grant I	209,145	-	-	209,145	45,448
Low Income Home Energy Assistance	715,245	-	-	715,245	995,315
Non Emergency Medical Transportation	3,422	-	-	3,422	34,522
Community Services - Youth Program	-	-	-	-	17,152
Youth Shelter	-	-	-	-	6,400
Federal Emergency Management	1,505	-	-	1,505	10,971
Community Development Block Grant	4,342	-	-	4,342	6,180
School Lunch	-	-	-	-	50
Family Day Care Home	-	-	-	-	-
Support Services	-	-	-	-	-
General Services	<u>22,922</u>	<u>-</u>	<u>-</u>	<u>22,922</u>	<u>47,238</u>
Total expenses and losses	<u>4,337,454</u>	<u>-</u>	<u>-</u>	<u>4,337,454</u>	<u>4,624,639</u>
Changes in net assets	(20,866)	7,150	-	(13,716)	238,322
Net assets at beginning of year	80,343	191,083	576,397	847,824	609,500
Transfer out	(15,526)	(136,464)	-	(151,990)	(272,869)
Transfer in	24,476	127,514	-	151,990	272,869
Retirements/returns	<u>(14,897)</u>	<u>(11,665)</u>	<u>-</u>	<u>(26,562)</u>	<u>-</u>
Net assets at end of year	\$ 53,531	\$ 177,619	\$ 576,397	\$ 807,546	\$ 847,823

See accompanying notes

Bossier Office Community Services, Inc
Statements of Cash Flows
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>Cash flows from operating activities:</u>		
Cash received from grants	\$ 4,293,074	\$ 4,857,022
Cash paid to employees and suppliers	(4,381,007)	(4,775,114)
Other	-	180,158
Interest	<u>80</u>	<u>269</u>
Net cash provided (used) by operating activities	(87,853)	262,335
<u>Cash flows from investing activities:</u>		
Capital purchases	-	(155,273)
Other	<u>9,359</u>	<u>-</u>
Net cash provided (used) by investing activities	9,359	(155,273)
<u>Cash flows from financing activities:</u>		
Increase (Decrease) in notes payable	-	-
Other	<u>-</u>	<u>-</u>
Net cash provided (used) by financing activities	-	-
Net increase (decrease) in cash	(78,494)	107,062
Cash at beginning of year	<u>325,297</u>	<u>218,235</u>
Cash at end of year	\$ 246,803	\$ 325,297
<u>Reconciliation of change in net assets</u> <u>to net cash provided by operating activities</u>		
Change in net assets	\$ (13,716)	\$ 238,322
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	31,190	1,000
Change in receivables	(30,584)	174,485
Change in accounts payables	(74,743)	(151,475)
Non cash receipts	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (87,853)</u>	<u>\$ 262,332</u>

See accompanying notes.

Bossier Office of Community Services, Inc
Statements of Functional Expenses
For the Years Ended December 31, 2012 and 2011

Expenses	Head Start	Early Head Start	Child and Adult Care Food	Community Services II	Community Services I	Home Energy Assistance	Non Emergency Transit Services	State Juvenile Home	FEMA	OCS Youth Services	General Services	General Payroll	2012 TOTAL	2011 TOTAL
Personnel	\$ 1,408,361	\$ 250,996	\$ 139,462	\$ -	\$ 116,113	\$ 32,169	\$ 3,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,950,730	\$ 1,939,175
Fringe benefits	477,458	83,032	51,341	-	41,252	11,895	282	-	-	-	-	-	665,260	692,813
Travel	30,822	335	-	-	4,579	1,193	-	-	-	-	141	-	37,070	17,360
Equipment	-	20,900	-	-	2,874	1,416	-	-	-	-	-	-	25,190	1,302
Supplies	98,439	27,139	22,563	-	5,719	3,454	35	-	-	-	112	-	157,462	113,444
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	25,867	7,577	-	-	4,660	1,543	-	-	-	-	-	-	39,647	31,680
Utilities	55,697	8,228	-	-	2,701	1,315	-	-	-	-	-	-	67,939	77,277
Insurance	96,012	14,077	-	-	15,954	2,857	-	-	-	-	-	-	128,901	136,538
Vehicle operations	66,698	-	-	-	-	-	2,103	-	-	-	-	-	68,801	75,129
Maintenance	99,673	24,353	-	-	499	237	-	-	-	-	7,800	-	132,563	116,185
Office expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional	27,483	6,499	-	-	7,875	1,654	1,500	-	-	-	-	-	45,012	43,574
Food and supplies	1,065	1,303	218,110	-	-	-	-	-	-	-	-	-	220,478	239,691
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IRS penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provider training	43,470	5,210	-	-	-	-	-	-	-	-	-	-	48,680	27,326
Miscellaneous	19,062	-	-	-	-	-	-	-	-	-	-	-	19,062	19,201
Client assistance	-	-	-	-	4,000	657,383	-	-	1,505	-	-	-	662,888	942,555
ARRA	-	-	-	-	-	-	-	-	-	-	-	-	-	3,913
Other	14,200	1,221	3,029	-	2,920	127	215	-	-	-	14,869	-	36,581	146,477
Total	2,464,307	450,870	434,505	-	209,145	715,245	7,764	-	1,505	-	22,922	-	4,306,264	4,623,639
Depreciation	30,190	-	1,000	-	-	-	-	-	-	-	-	-	31,190	1,000
Total	\$ 2,494,497	\$ 450,870	\$ 435,505	\$ -	\$ 209,145	\$ 715,245	\$ 7,764	\$ -	\$ 1,505	\$ -	\$ 22,922	\$ -	\$ 4,337,454	\$ 4,624,639

**BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PROGRAM DESCRIPTION -

Bossier Office of Community Services, Incorporated (BOCS) is a private nonprofit corporation established under the laws of the State of Louisiana. The corporation is organized to operate a Community Services Program in and for Bossier Parish, Louisiana. Specifically, the corporation is organized to:

- A. serve as the official anti-poverty agency in Bossier Parish, Louisiana;
- B. create, plan, develop, implement, conduct and administer programs according to Federal rules, regulations and guidelines that involve the maximum participation of the community served;
- C. ensure and provide affordable, safe, sanitary and decent housing to very low, low and moderate income residents of the State and expand economic development and home ownership opportunities for low and moderate income residents of the State;
- D. provide assistance and educational materials related to housing to very low, low and moderate income residents of the State;
- E. improvise and utilize all community resources both public and private in an organized approach on eliminating poverty.

Bossier Office of Community Services Inc.'s operations are segregated into general grant programs as follows:

Head Start and Early Head Start Programs (HS and EHS) provides comprehensive educational and support services to low-income and disabled children zero to five years of age and children who have not reached the compensatory school age. This program provides health, mental health, nutrition, education and parent involvement services to children in an effort to enable the child to function at an optimum level in their environment. Funding is provided through federal funds from the U.S. Department of Health and Human Services.

Child and Adult Care Food Program (CACFP) provides a food service program in conjunction with the Head Start and Early Head Start Programs. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)

Community Services Block Grant (CSBG) provides assistance to the poor, disadvantaged and unemployed through housing services, community projects, nutrition services, emergency assistance, employment services, transportation services, and other services. Funding is provided by federal funds passed through the State of Louisiana, Department of Labor.

Transit Services provides transportation services to citizens in the urban and rural areas of Bossier Parish. Funding is provided by federal funds passed through the State of Louisiana, Department of Social Services, federal funds passed through the City of Bossier City, transit fares and other miscellaneous revenues.

Low-Income Home Energy Assistance Program (LIHEAP) provides assistance to low income households in offsetting the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Finance Agency.

Reporting Entity - The governing body of Bossier Office of Community Services is its Board of Directors. The Board appoints an Executive Director to administer the affairs of the agency. BOCS is not considered a component of the city, parish or any governmental body. The governing board independently oversees the agency's operations.

- 1) The accompanying financial statements include all of the organization's programs, activities and functions of BOCS for which the Board has oversight responsibility, except as described in the following paragraph. Such oversight responsibilities include designation of management, the ability to significantly influence operations, accountability for fiscal matters, and the scope of public services.
- 2) Some equipment is owned by BOCS while used in the program for which it was purchased or in other future authorized programs. The funding sources, however, have a reversionary interest in the equipment purchased with grant funds, therefore its disposition, as well as the ownership of any sale proceeds therefrom is subject to funding source regulations.

BASIS OF ACCOUNTING -

Accounting Policies – The accompanying financial statements have been prepared in conformity with generally accepted accounting principles. BOCS uses the accrual basis of accounting.

Financial Statement Presentation – The financial statements are presented as recommended by Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, *Financial Statements of Not-for-Profit Organizations*. FASB ASC 958-205 requires the agency to report information regarding its financial position and activities into three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

**BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

Revenue and Support – Grant revenues (Grants and Governmental reimbursements) are recognized using the legal and contractual requirements of the Agency’s programs as guidance. Grant revenues (where funds must be expended for specific purposes prior to amount being reimbursed to the Agency) are recognized based on expenditures recorded.

BOCS reports grants and gifts of cash and other assets as restricted support if they are received with donor or grant stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the *statement of activities* as net assets released from restrictions. Temporarily restricted net assets are restricted for future period expenditures.

Property and Equipment – Property and equipment are recorded at costs unless donated. If donated, property and equipment are carried at the approximate fair value at the date of donation. It is BOCS’s policy to capitalize property and equipment with a unit cost of \$5,000 or more. Lesser amounts are expensed. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulation regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

BOCS recognizes depreciation on its fixed assets in accordance with generally accepted accounting principles. The Federal government has a reversionary interest in property purchased with Federal funds. Its disposition, as well as any disposition proceeds, is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding source. Fixed assets are depreciated using the straight-line method.

BOCS’s fixed assets are stated at cost and are depreciated as follows:

<u>Fixed Asset</u>	<u>Useful Life</u>	<u>Method</u>
Furniture & Equipment	5 – 10 Years	Straight Line
Vehicles	40 Years	Straight Line
Buildings	40 – 50 Years	Straight Line

Depreciation expense for the year ended December 31, 2012 totaled \$31,190

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, BOCS considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. BOCS had no cash equivalents at December 31, 2012.

**BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Taxes – BOCS is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a private corporation.

Contributed Services – BOCS received donated services from a variety of unpaid volunteers assisting in its program services. No amounts for donated services have been recognized in the accompanying statements of activities since the criteria for recognition of such volunteer efforts under FASB ASC 985 has not been satisfied.

Pension Plan – A 403 (b) Retirement Plan was established for employees of BOCS effective May 1, 2001.

Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2: PROGRAM EXPENSES

Net assets were released from grantor restrictions by incurred expenses satisfying the restricted purposes or by occurrence of other events specified by funding sources.

Purpose restrictions accomplished:

Head Start and Early Head Start Program	\$ 2,915,177
Child and Adult Care Food Program	434,505
Community Services Block Grant	209,145
Low Income Home Assistance Program	715,245
Non Emergency Transit Services	3,422
Federal Emergency Management Assistance	-
Community Development Block Grant	4,342
Johnny Gray Jones General	-
General Fund	-
Total	<u>\$ 4,281,837</u>

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)

NOTE 3: LEASE COMMITMENTS

Bossier Office of Community Services leases equipment under operating leases from various entities. No leases have initial or remaining non-cancelable terms in excess of one year.

NOTE 4: GRANTS RECEIVABLE

Grants receivable at December 31, 2012 is comprised of the following:

<u>Agency</u>	<u>Program</u>	<u>Amount</u>
U.S. Department of Health and Human Services	Head Start/Early Head Start	\$ -
Louisiana Department of Education	Child and Adult Care Food	56,813
Louisiana Department of Labor	Community Services Block Grant	-
	Total	<u>\$ 56,813</u>

NOTE 5: PENSION PLAN

A 403 (b) Retirement Plan was established for employees of BOCS effective May 1, 2001. Employees with at least one year of service may contribute a portion of their wages to the plan. An amount equal to 5% of the total salary of eligible employees is contributed to the plan by BOCS.

The amount contributed by BOCS to retirement plans on behalf of the employees for the year ended December 31, 2012 was \$78,798.

NOTE 6: CHANGES IN FIXED ASSETS

	12/31/2011			12/31/2012
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
Furniture, fixtures & equipment	\$ 263,259	\$ -	\$ (258,259)	\$ 5,000
Vehicles	1,022,545	-	(416,640)	605,905
Buildings	928,858	-	(126,733)	802,125
Land	35,966	-	-	35,966
Accumulated Depreciation	<u>(1,674,231)</u>	<u>(31,190)</u>	<u>765,712</u>	<u>(939,709)</u>
Net Property & Equipment	<u>\$ 576,397</u>	<u>\$ (31,190)</u>	<u>\$ (35,920)</u>	<u>\$ 509,287</u>

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)

NOTE 7: CONCENTRATION OF CREDIT RISK

BOCS received over 98% of its funding from Federal and State grants with the Head Start program providing over 67% of all grant revenues.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of December 31, 2012, BOCS had no significant concentrations of credit risk in relation to grant receivables.

NOTE 8: COMMITMENTS AND CONTINGENCIES

BOCS participates in certain governmental financial assistance programs. Although BOCS grant programs have been audited through December 31, 2012 in accordance with provisions of the Single Audit Act, these programs are still subject to financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although BOCS expects such amounts, if any, to be immaterial.

NOTE 9: SUBSEQUENT EVENTS

Subsequent events were evaluated through July 11, 2013, the date that the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Federal Grantor/Pass through Grantor/Program Title	Federal CFDA <u>Number</u>	Agency or Pass-through <u>Number</u>	Federal <u>Expenditures</u>
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Direct Program			
Head Start Program	93 600	06CH0190/30	\$ 2,915,177
Passed through Louisiana Department of Labor Community Services Block Grant (CSBG)	93.569	2012N0033	206,013
Passed through Louisiana Department of Social Services- Office of Community Services Title XIX Transportation (NEMT)	93.667		-
Passed through Louisiana Housing Finance Agency Low Income Home Energy Assistance Program (LIHEAP)	93.568	Unknown	715,245
Total U S. Department of Health and Human Services			<u>3,836,436</u>
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through Louisiana Department of Education Child and Adult Care Food Program (CACFP)	10.558	N/A	434,505
Total Department of Agriculture			<u>434,505</u>
<u>U S Department of Housing and Urban Development</u>			
Passed through City of Bossier City Community Development Block Grant - (CDBG) Transportation Assistance	14.218	N/A	6,472
Total Department of Housing and Urban Development			<u>6,472</u>
<u>U. S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed through a local governing board Emergency Food and Shelter Program (FEMA)	97.024	Unknown	1,505
Total Federal Emergency Management Agency			<u>1,505</u>
Total Federal Expenditures			<u>\$ 4,278,918</u>

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
RECONCILIATION OF FINANCIAL STATEMENTS TO FEDERAL EXPENDITURES
For the Year Ended December 31, 2012

	<u>Amount</u>
EXPENSES FROM FINANCIAL STATEMENTS	\$ 4,337,454
ADD	
Capital Purchases	-
Less Non Federal Expenditures	(27,346)
Depreciation	(31,190)
Others	
 Total Federal Expenditures	 <u>\$ 4,278,918</u>

Depreciation:

The Agency did not receive reimbursement for depreciation and depreciation was not charged to the grant
Depreciation in these instances is not a federal expenditure as reflected in the reconciliation

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO SCHEDULE OF FEDERAL AWARDS
December 31, 2012

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance and state assistance and federal and state cost-reimbursement contracts of Bossier Office of Community Services, Inc. BOCS receives federal awards both directly from the United States Department of Health and Human Services and indirectly through the State of Louisiana.

Federal program expenditures included in the accompanying schedule are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

(2) Major Programs

Three major programs are identified in the Summary of Auditor's Results in the Schedule of Findings and Questioned Costs.

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**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bossier Office of Community Services, Inc. (BOCS), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 11, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bossier Office of Community Services Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bossier Office of Community Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether BOCS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Houston, Texas
July 11, 2013

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**Independent Auditor's Report on Compliance For Each Major Federal Program and on
Internal Control Over Compliance Required by OMB Circular A-133**

To the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

Compliance

We have audited Bossier Office of Community Services, Inc.'s (BOCS) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of BOCS's major federal programs for the year ended December 31, 2012. Bossier Office of Community Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of BOCS's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about BOCS's compliance with

those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of BOCS's compliance.

Opinion on Each Major Federal Program

In our opinion, Bossier Office of Community Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control over Compliance

Management of Bossier Office of Community Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered BOCS's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of BOCS's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "T. L. Jackson". The signature is written in a cursive style with a large, stylized "J" and "L".

Houston, Texas
July 11, 2013

**BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012**

Financial Statement Audit Findings

None reported.

Major Federal Award Program Audit Findings

None reported.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued – Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93 600	Head Start Program
10.558	Child and Adult Care Food Program
93.568	Low Income Home Energy Assistance Program

Dollar threshold used to distinguish between type A and type B programs:
\$300,000

Auditee qualified as low-risk auditee? Yes

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
COMBINING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

ASSETS	Head Start	Early Head Start	Child and Adult Care Food	CSBG II	CSBG I	LIHEAP	Weatherization Assistance	NEMT & Transit Services	JGJYS OCS & CASINO General Services	General	Payroll Fund	2012 Total	2011 Total
Current Assets													
Cash	\$ 4,825	\$ 8,487	\$ 20,434	\$ 50	\$ 3,489	\$ 91,373	\$ -	\$ 3,067	\$ -	\$ 47,594	\$ 67,485	\$ 246,803	\$ 325,297
Grants receivable	-	-	56,813	-	-	-	-	745	-	-	-	57,558	26,974
Other Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	4,825	8,487	77,247	50	3,489	91,373	-	3,811	-	47,594	67,485	304,361	352,271
Property and Equipment													
Furniture and equipment	-	-	5,000	-	-	-	-	-	-	-	-	5,000	263,259
Vehicles	605,905	-	-	-	-	-	-	-	-	-	-	605,905	1,022,545
Buildings	802,125	-	-	-	-	-	-	-	-	-	-	802,125	928,858
Land	35,966	-	-	-	-	-	-	-	-	-	-	35,966	35,966
Accumulated depreciation	(936,709)	-	(3,000)	-	-	-	-	-	-	-	-	(939,709)	(1,674,231)
Net property and equipment	507,287	-	2,000	-	-	-	-	-	-	-	-	509,287	576,397
Total Assets	512,112	8,487	79,247	50	3,489	91,373	-	3,811	-	47,594	67,485	813,648	928,668
Liabilities and Net Assets													
Current Liabilities													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	26,135
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	6,104	6,104	42,774
Current portion of long term	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-	-	-	-	-	-	11,938
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	6,104	6,104	80,847
Long term portion of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	6,104	6,104	80,847
Net assets													
Unrestricted	-	-	-	-	-	-	-	-	-	47,594	61,381	108,975	80,343
Temporarily restricted	4,825	8,487	77,247	50	3,489	91,373	-	3,811	-	-	-	189,282	191,081
Permanently restricted	507,287	-	2,000	-	-	-	-	-	-	-	-	509,287	576,397
Total net assets	512,112	8,487	79,247	50	3,489	91,373	-	3,811	-	47,594	61,381	807,543	847,821
Total liabilities and net asset	\$ 512,112	\$ 8,487	\$ 79,247	\$ 50	\$ 3,489	\$ 91,373	\$ -	\$ 3,811	\$ -	\$ 47,594	\$ 67,485	\$ 813,648	\$ 928,668

BOSSIER OFFICE OF COMMUNITY SERVICES, INC
COMBINING STATEMENTS OF ACTIVITIES
YEARS ENDING DECEMBER 31, 2012 AND 2011

	Head Start	Early Head Start	Child and Adult Care Food	CSBG II	CSBG I	LINEAP	Weatherization Assistance	Local CDBG & Non Emergency Medical Transit	JGJYS OCS & CASINO General Services	General Fund	Payroll General Fund	2012 Total	2011 Total
Revenues													
Gains & Support													
Interest	\$ 58	\$ -	\$ -	\$ 0	\$ 22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80	\$ 269
Grant revenues	2,556,712	461,168	350,010	-	183,006	712,115	-	-	-	-	-	4,263,012	4,680,034
CDBG	-	-	-	-	-	-	-	6,472	-	-	-	6,472	12,850
Local	-	-	19,423	-	-	-	-	-	12,476	22,275	-	54,174	167,308
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-
ARRA	-	-	-	-	-	-	-	-	-	-	-	-	2,500
	<u>2,556,770</u>	<u>461,168</u>	<u>369,434</u>	<u>0</u>	<u>183,028</u>	<u>712,115</u>	<u>-</u>	<u>6,472</u>	<u>12,476</u>	<u>22,275</u>	<u>-</u>	<u>4,323,738</u>	<u>4,862,961</u>
Net Assets Released from Restrictions													
Note payment	-	-	-	-	-	-	-	-	-	-	-	-	-
Satisfaction equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Expiration of time rest	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	2,556,770	461,168	369,434	0	183,028	712,115	-	6,472	12,476	22,275	-	4,323,738	4,862,961
Expenses													
HS	2,494,497	-	-	-	-	-	-	-	-	-	-	2,494,497	2,276,451
EHS	-	450,870	-	-	-	-	-	-	-	-	-	450,870	575,263
ARRA	-	-	-	-	-	-	-	-	-	-	-	-	3,913
CACFP	-	-	435,505	-	-	-	-	-	-	-	-	435,505	-
CSBG I	-	-	-	-	209,145	-	-	-	-	-	-	209,145	472,753
CSBG II	-	-	-	-	-	-	-	-	-	-	-	-	178,432
Energy	-	-	-	-	-	715,245	-	-	-	-	-	715,245	995,315
NEMT	-	-	-	-	-	-	-	3,422	-	-	-	3,422	34,522
Youth Shelter	-	-	-	-	-	-	-	-	-	-	-	-	6,400
OCS Youth	-	-	-	-	-	-	-	-	-	-	-	-	17,152
School Lunch	-	-	-	-	-	-	-	-	-	-	-	-	50
FDCH	-	-	-	-	-	-	-	-	-	-	-	-	-
FEMA	-	-	-	-	-	-	-	-	-	1,505	-	1,505	10,971
CDBG	-	-	-	-	-	-	-	4,342	-	-	-	4,342	6,180
Weatherization	-	-	-	-	-	-	-	-	-	-	-	-	-
Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-
General Services	-	-	-	-	-	-	-	-	10,573	12,349	-	22,922	47,238
Total	2,494,497	450,870	435,505	-	209,145	715,245	-	7,764	10,573	13,854	-	4,337,454	4,624,639
Changes in net assets	62,273	10,298	(66,072)	0	(26,117)	(3,131)	-	(1,292)	1,903	8,421	-	(13,716)	238,322
Beginning Net Assets	518,445	9,672	115,228	51	2,605	84,503	11,665	1,053	10,573	32,643	61,381	847,821	609,500
Transfer out	(71,979)	(11,484)	(40,000)	(1)	(13,000)	-	-	-	(12,476)	(3,050)	-	(151,990)	(272,869)
Transfer in	3,374	-	70,090	-	40,000	10,000	-	4,050	-	24,476	-	151,990	272,869
Retirements	-	-	-	-	-	-	(11,665)	-	-	(14,897)	-	(26,562)	-
Assets Returned Permanently	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Net Assets	\$ 512,112	\$ 8,487	\$ 79,247	\$ 50	\$ 3,489	\$ 91,372	\$ 0	\$ 3,811	\$ -	\$ 47,594	\$ 61,381	\$ 807,544	\$ 847,822